

Finance

April 14, 2016

Budget 2016 Protecting Our Vulnerable Residents

Government Launches New Supplement for Low Income Residents

To support low income seniors, individuals, families and persons with disabilities, the Provincial Government is establishing a Newfoundland and Labrador Income Supplement. Budget 2016 includes an annualized investment of \$63.7 million to assist the most vulnerable residents impacted by budget revenue measures. Budget 2016 also includes an annualized investment of \$12.7 million to enhance the existing Seniors' Benefit. Annualized, the total additions to these programs are \$76.4 million.

"Our government recognizes some low income residents in Newfoundland and Labrador will be more affected by the impact of new and increased revenue measures announced in Budget 2016. To ensure we are protecting the most vulnerable in our society, we are investing \$76.4 million in a Newfoundland and Labrador Income Supplement, a disability benefit and enhancements to the Seniors' Benefit that will be paid directly to eligible low income seniors, individuals, families and persons with disabilities in quarterly installments."

- The Honourable Cathy Bennett, Minister of Finance and President of Treasury Board

The Newfoundland and Labrador Income Supplement will be based on family net income and will be payable directly to eligible individuals on a quarterly basis. Examples of those who will receive the Newfoundland and Labrador Income Supplement are included in the backgrounder below.

"As a government we have a responsibility to ensure there is a plan in place to address the unprecedented fiscal challenges facing Newfoundland and Labrador. However, we also have an obligation to protect our low income seniors, individuals, families and persons with disabilities by providing these necessary new revenue measures. We must always, as a society, ensure those that need help the most receive it. That's why we created this income supplement."

- Minister Bennett

The Newfoundland and Labrador Income Supplement will be effective July 1, 2016 and eligible recipients will receive their first payment in October 2016. No application for the supplement is required. However, eligible individuals must ensure their annual income tax return is filed in order to receive the supplement.

QUICK FACTS

- Budget 2016 includes an annualized investment of \$63.7 million to assist the most vulnerable residents impacted by budget revenue measures. Budget 2016 also includes an annualized investment of \$12.7 million to enhance the existing Seniors' Benefit. Annualized, the total additions to these programs are \$76.4 million.
- The Newfoundland and Labrador Income Supplement will be based on family net income and will be payable directly to eligible individuals on a quarterly basis.
- The Income Supplement will be effective July 1, 2016. Eligible recipients will receive their first payment, consisting of two quarterly payments in October 2016.

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Media contact:

Jennifer Tulk
Director of Communications
Department of Finance
709-729-6830, 728-4104
jennifertulk@gov.nl.ca

Examples of those eligible for the new Newfoundland and Labrador Income Supplement

	Family Net Income	Annual Income Supplement *	Seniors' Annual Benefit**	Amount of Quarterly Installment
Single Senior	\$16,000	\$266	\$1,313	\$394.75
Senior Couple	\$26,000	\$510	\$1,313	\$455.75
Single Person, Eligible to Claim the Disability Tax Credit	\$22,000	\$650	N/A	\$162.50
Single Parent, 1 Child	\$16,000	\$466	N/A	\$116.50
Single Earner Family, 2 Adults, 2 Children Under 6	\$40,000	\$910	N/A	\$227.50
Single Earner	\$30,000	\$450	N/A	\$112.50
Single Minimum Wage Earner	\$22,000	\$450	N/A	\$112.50

*The Newfoundland and Labrador Income Supplement is based on family net income and will vary for each individual circumstance.

**The Seniors' Benefit is increased by \$250, from \$1,063 to \$1,313.